

**IRS INITIATES PILOT PROGRAM TO FOSTER EARLIER RESOLUTION OF
INDUSTRY ISSUES COMMON TO LARGE BUSINESS TAXPAYERS**

WASHINGTON — The Internal Revenue Service and Treasury Department announced Wednesday a new pilot program called Industry Issue Resolution, or IIR.

“The goal of the Industry Issue Resolution program is to move away from auditing frequently disputed industry issues on a case-by-case basis and toward solutions that apply to significant numbers of business taxpayers,” said Larry Langdon, Commissioner, Large and Mid-Size Business Division (LMSB). “We encourage taxpayers, taxpayer representatives, and industry organizations to submit issues for consideration under the pilot.”

The IIR process is designed to resolve issues that are common to many large business taxpayers. The program is aimed at establishing a consistent IRS position on industry issues. The benefits include reducing costs and burden for taxpayers and the IRS and eliminating uncertainty involving tax treatment.

Industry specific issues are currently being solicited for the pilot. Submissions must be received by LMSB no later than February 28, 2001, to be considered. Selections will be made by March 31, 2001. An IRS and Treasury team will then gather the relevant facts from industry groups and taxpayers and analyze the issue. The IRS and Treasury will issue guidance based on this fact gathering and analysis. The planned completion for the pilot is November 30, 2001.

“The pilot presents an opportunity to resolve both pre- and post-filing controversies at an earlier stage,” Langdon said. “The IIR process was developed after listening to the concerns of industry associations, taxpayers, IRS employees and other interested parties.”

Notice 2000-65 was also released Wednesday. It provides additional information on the IIR pilot and tells how to submit an issue for consideration. This Notice is available on the IRS web site at www.irs.gov.

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